



U.S. Department of Transportation
Office of Public Affairs
1200 New Jersey Avenue, SE
Washington, DC 20590
<http://www.dot.gov/briefingroom>

BTS Data

BTS 04-17

Wednesday, January 18, 2017

Contact: David Smallen

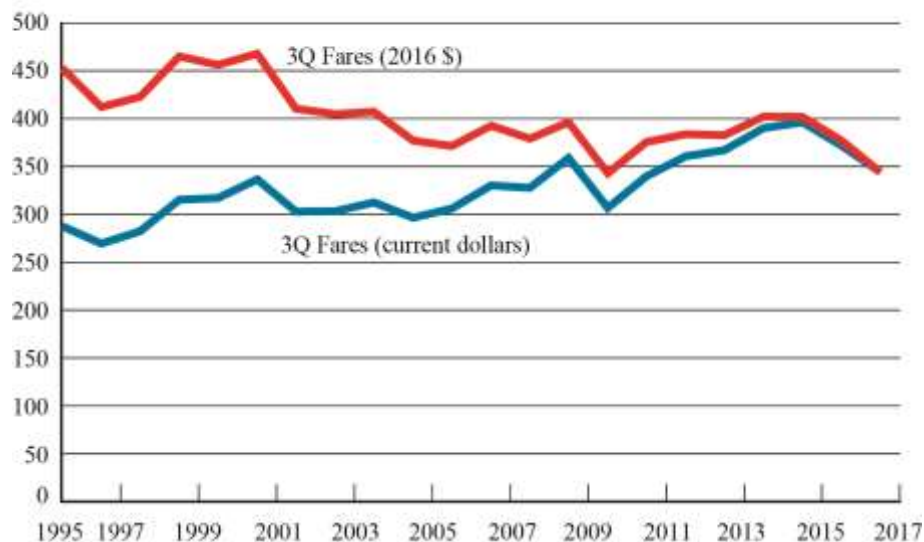
Tel: 202-366-5568

david.smallen@dot.gov

3rd-Quarter 2016 Air Fare Data

The average domestic air fare decreased to \$344 in the third quarter of 2016, down 8.8 percent from \$377 in the third quarter of 2015, adjusted for inflation (Table 1), the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today.

Figure 1. U.S. Average Domestic Fares, 3rd Quarter 1995-2016



Source: Bureau of Transportation Statistics, [BTS Air Fares, Origin and Destination Survey](#)

BTS reports average fares based on domestic itinerary fares. Itinerary fares consist of round-trip fares, unless the customer does not purchase a return trip. In that case, the one-way fare is included. One-way trips accounted for 38 percent of fares calculated for the third quarter of 2016. Fares are based on the total ticket value, which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include fees for optional services, such as baggage fees. Averages do not include frequent-flyer or "zero fares." Constant 2016 dollars are used for inflation adjustment.

Inflation-Adjusted Air Fares

Third-quarter fares rose 17.2 percent from the recession-affected low of \$343 in 2009 to the third quarter of 2014. In the two-year period from the third quarter of 2014, fares fell 14.4 percent to the third quarter of 2016 (Table 1).

The third-quarter 2016 fare was down 26.5 percent from the average fare of \$468 in 2000, the highest inflation-adjusted third quarter average fare in the 21 years since BTS began collecting air fare records in 1995. Since 1995, inflation-adjusted fares declined 24.1 percent (Table 2). See [BTS Air Fare web page](#) for historic data.

In recent years, airlines have obtained additional revenue from fees charged to passengers, as well as from other sources. U.S. passenger airlines collected 74.7 percent of their total revenue from passenger fares during the third quarter of 2016, down from 87.6 percent in 1995 (Table 1A).

Quarter-to-Quarter Change

Average fares have declined for seven consecutive quarters after reaching an inflation-adjusted recent high of \$404 in the fourth-quarter of 2014 (Table 3).

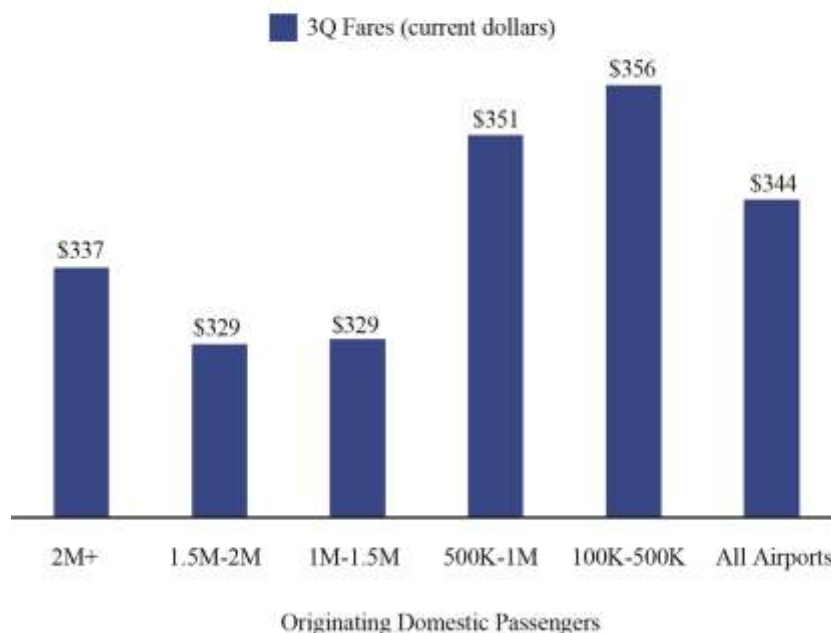
Unadjusted Air Fares

The \$344 third-quarter 2016 average fare was down 13.2 from the third quarter 2014 fare of \$396, which was the highest average fare for any quarter since 1995. Since 1995, unadjusted fares rose 19.6 percent compared to a 57.6 percent increase in overall consumer prices (Table 4).

Third-quarter 2016 fares were down 2.4 percent from the second quarter of 2016, dropping to the lowest unadjusted level since the fourth quarter of 2010 when the average fare was \$335 (Table 5). See [Air Fares](#) for historical data.

Fares by Airport

Figure 2. Fares by Airport Group based on Number of Originating Domestic Passengers 3Q 2016



Of airports grouped by the number of originating passengers in the third quarter of 2016, the 53 airports with between 100,000 and 499,999 originating passengers had the highest average fares (\$356). Airports with 1.5 to 1.99 million originating passengers had the lowest average fares of any group (\$329) (Table 6).

Tables listing the airports by group can be found on the [BTS Air Fare web page](#).

For additional data, see [Top 100 Airports](#) or [All Airports](#). Since average fares are based on the [Origin and Destination Survey](#) 10 percent ticket sample, averages for airports with smaller samples may be less reliable. Fares for Alaska, Hawaii and Puerto Rico airports are not included in rankings but are available on the web page. Fourth-quarter 2016 average fare data will be released April 25.

Table 1. 3rd Quarter Average Fare 1995-2016, Adjusted for Inflation

Year	Average Fare in constant 2016 dollars (\$)	Year-to-Year Percent Change in Average Fare (3Q to 3Q) (%)	Cumulative Percent Change in Average Fare (3Q 1995 to 3Q of each year) (%)
1995	453		
1996	412	-9.0	-9.0
1997	423	2.5	-6.7
1998	465	10.0	2.7
1999	456	-2.0	0.7
2000	468	2.6	3.3
2001	410	-12.3	-9.4
2002	405	-1.4	-10.7
2003	407	0.7	-10.1
2004	377	-7.4	-16.8
2005	372	-1.5	-18.0
2006	393	5.7	-13.3
2007	379	-3.4	-16.3
2008	396	4.4	-12.6
2009	343	-13.4	-24.3
2010	375	9.4	-17.1
2011	384	2.2	-15.3
2012	383	-0.3	-15.5
2013	402	5.0	-11.2
2014	402	0.0	-11.3
2015	377	-6.2	-16.8
2016	344	-8.8	-24.1

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

Table 1A. Passenger Airline Revenue from Fares 1990-2016

Year	Revenue from Passenger Fares as Percent of Total Scheduled Passenger Airline Operating Revenue* (%)
1990	88.5
1995	87.6
2000	88.9
2001	87.8
2002	87.1
2003	84.9
2004	80.6
2005	78.4
2006	77.6
2007	77.7
2008	75.9
2009	73.7
2010	74.8
2011	74.6
2012	74.1
2013	74.6
2014	74.8
2015	74.7
2016 (1Q)	73.7
2016 (2Q)	74.3
2016 (3Q)	74.7

Source: Bureau of Transportation Statistics, P-1.2

* From [Schedule P-1.2](#): Passenger Revenue (Fares) (Acct 3901) as a percentage of Total Operating Revenues (4999).

Table 2. Percent Changes to 2016 in Average Domestic Average Fares and the Inflation Rate* by Year Since 1995

(3rd Quarter to 3rd Quarter for fares; September to September for inflation)

Since 3rd Quarter of ...	Duration in Years	Average Fare in constant 2016 dollars (\$)	Percent Change in Average Fare to 3rd Quarter 2016 (%)
2016		344	
2015	1	377	-8.8
2014	2	402	-14.4
2013	3	402	-14.5
2012	4	383	-10.2
2011	5	384	-10.4
2010	6	375	-8.4
2009	7	343	0.2
2008	8	396	-13.2
2007	9	379	-9.3
2006	10	393	-12.4
2005	11	372	-7.4
2004	12	377	-8.8
2003	13	407	-15.5
2002	14	405	-15.0
2001	15	410	-16.2
2000	16	468	-26.5
1999	17	456	-24.6
1998	18	465	-26.1
1997	19	423	-18.6
1996	20	412	-16.6
1995	21	453	-24.1

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

* Rate calculated using Bureau of Labor Statistics Consumer Price Index

Table 3. Inflation-Adjusted Average Domestic Airline Fares by Quarter
Average Fare and Percent Change by Quarter

Quarter/Year	Average Domestic Fare (2016\$)	
	Average Fare in constant 2016 dollars (\$)	Quarter-to-Quarter Percent Change in Average Fare (%)
2Q 2014	401	2.6
3Q 2014	402	0.3
4Q 2014	404	0.4
1Q 2015	397	-1.7
2Q 2015	390	-1.7
3Q 2015*	372	-5.0
4Q 2015*	363	-2.5
1Q 2016*	361	-0.4
2Q 2016*	351	-3.0
3Q 2016*	344	-1.9

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

* Fares for the most recent four quarters are in current dollars, not adjusted for inflation.

Table 4. Unadjusted 3rd Quarter Average Fares, 1995-2016

Year	Average Fare in current dollars (\$)	Year-to-Year Percent Change in Average Fare (3Q to 3Q) (%)	Cumulative Percent Change in Average Fare (3Q 1995 to 3Q of each year) (%)	Inflation Rate Change to Sept 2016
1995	288	N/A	N/A	57.6
1996	269	-6.3	-6.3	53.0
1997	282	4.7	-1.8	49.8
1998	315	11.7	9.6	47.6
1999	317	0.6	10.3	43.8
2000	337	6.1	17.1	39.0
2001	303	-10.0	5.4	35.4
2002	303	0.1	5.5	33.4
2003	312	3.0	8.7	30.4
2004	297	-5.1	3.1	27.1
2005	306	3.2	6.4	21.4
2006	330	7.9	14.8	19.0
2007	328	-0.8	13.9	15.8
2008	359	9.6	24.8	11.8
2009	307	-14.5	6.8	10.5
2010	340	10.7	18.2	10.4
2011	361	6.2	25.5	6.4
2012	367	1.7	27.6	4.3
2013	390	6.3	35.7	3.1
2014	396	1.6	37.9	1.5
2015	372	-6.2	29.3	1.4
2016	344	-7.5	19.6	N/A

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

Table 5. Unadjusted Average Domestic Airline Fares by Quarter
Average Fare and Percent Change by Quarter

Average Domestic Fare (current\$)		
Quarter/Year	Average Fare in current dollars (\$)	Quarter-to-Quarter Percent Change in Average Fare (%)
3Q 2014	396	0.2
4Q 2014	393	-0.9
1Q 2015	388	-1.1
2Q 2015	386	-0.6
3Q 2015	372	-3.7
4Q 2015	363	-2.5
1Q 2016	361	-0.4
2Q 2016	353	-2.4
3Q 2016	344	-2.4

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)
Note: Percent change based on unrounded numbers

Table 6. Fares at Airports Grouped by Originating Passengers
Top 100 Airports* Based on 2016 U.S. Originating Domestic Passengers

Airport Groups based on 3Q 2016 Originating Passengers	Average Fare 3rd Quarter 2016 (\$)	Percent of Total Passengers
2 million+	337	28
1.5-1.99 million	329	17
1.0-1.49 million	329	19
500-999,000	351	21
100-499,000	356	15
Average Fare at All Airports	344	100

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)
* Not including Alaska, Hawaii or Puerto Rico